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**He Works Hard for Your Money**

1/20/2010 --



Meet consumer advocate Allen Bañez, MBA '90.

ANN ARBOR, Mich. — When a busy friend started having trouble with the transmission on his car at 122,000 miles, Allen Bañez, MBA '90, was on the case. As a favor Bañez navigated the customer service maze that often accompanies defective products, and secured a new transmission within a few weeks. For free.

"That experience proved to me that consumer advocacy was a service needed by the general public," says Bañez. "I feel bad seeing people lose their hard-earned money on defective products and poor customer service, while executives brag about their quality products and excellent customer service."

Bañez acted on those feelings to found LetterChamp in 2006. The Bay Area startup has a dual mission: to advocate on behalf of disgruntled consumers and to help companies regain favor and retain those consumers.

"We show our clients that companies will stand by their products," he says. "Customers will continue to return to companies when they do that. When they don't, customers won't buy their products again."

LetterChamp, featured in Smart Money in 2008, currently counts five employees across the country. They handle an average of 20 to 30 consumer cases per month, most outside of California. The company makes a profit only on successful cases, receiving a third of the refund or replacement cost of the product in question. As Bañez says, "There's no risk to the consumer. If we don't win their case, they don't have to pay us."

But most likely, LetterChamp will win. With his background in price and sales negotiations, Bañez is a natural at convincing executives of his argument. The company has a 96 to 98 percent success rate. Bañez says LetterChamp's employees are so successful because they bypass customer service and deal directly with executives and business owners, who often don't see what's happening at the customer level.

"Our arguments are logical, polite, concise, and supported by documentation," he says. "There is no emotion involved. It's hard to argue with the facts when we clearly show that the company is at fault."

To market LetterChamp, Bañez has relied mostly on word-of-mouth, but these days he is using more social media tools to get the word out. "In the first quarter of 2010, you'll see us on LinkedIn, Facebook, and Twitter," he says. The company's website ([www.letterchamp.com](http://www.letterchamp.com)) features a blog and other content and advice directed toward consumers. Bañez plans to enhance the content with more brand information and a space for consumers to rate products.

The LetterChamp blog already is a valuable resource for consumers looking for tips. Bañez's top three pieces of advice: 1) Keep the receipt and warranty information for your products in a special folder; 2) Be polite and logical when speaking with representatives from the company; 3) Don't procrastinate complaining about a consumer issue.

Bañez's next endeavor is a free e-book that promises to teach people how to make their cars last longer called, appropriately, *How to Make Your Car Last*. Bañez considers himself an expert on the subject, having owned several cars with over 200,000 and 300,000 miles on them.

It's that expertise that continues to drive LetterChamp's business model going forward. While most entrepreneurs are concerned with making their own money, Bañez is intent on helping others hang on to theirs.

"You work hard for your money, so shouldn't companies work just as hard to earn and keep your business?" says Bañez. "We're very passionate about making sure our clients get what they



Allen Bañez

deserve. We love winning one for the little guy."



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